

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 15980
[Redacted],)	
)	DECISION
Petitioners.)	
_____)	

On August 8, 2001, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayers), proposing income tax, penalty, and interest for taxable years 1997 through 1999 in the total amount of \$59,638.

The taxpayers filed a timely protest. They did not request a hearing; however, they did submit additional information. The Tax Commission, having reviewed the file, hereby issues its decision based upon the information contained in the file.

During the years in question, the taxpayers failed to file Idaho individual income tax returns even though Tax Commission records show they satisfied the filing requirements stated in Idaho Code § 63-3030. [Redacted]. [Redacted].

Idaho Code § 63-3045 (1)(a) states:

63-3045. Notice of redetermination or deficiency -- Interest. (1) (a) If, in the case of any taxpayer, the state tax commission determines that there is a deficiency in respect of the tax imposed by this title, the state tax commission shall, immediately upon discovery thereof, send notice of such deficiency to the taxpayer by registered or certified mail or by other commercial delivery service providing proof of delivery, whichever is the most cost efficient. The notice shall be sent to the taxpayer's last address known to the state tax commission. The notice of deficiency shall be accompanied by an explanation of the specific reason for the determination and an explanation of the taxpayer's right to appeal. Within sixty-three (63) days after such notice is mailed, the taxpayer may, at his option, file a protest in writing with the state tax commission and obtain redetermination of the deficiency.

Because the taxpayers did not file state income tax returns, the Bureau prepared provisional

returns and issued a deficiency notice. The income amounts were determined by examining the records retained by the Tax Commission [Redacted]. In order for the taxpayers to receive the notice, they were required to claim it at the post office. The taxpayers did not claim the notice and it was returned to the Bureau. The Bureau sent a copy of the determination to the taxpayers via the U.S. Post Office regular delivery and [Redacted] appealed.

He said the tax amount shown for each year was incorrect. He said he would like to “schedule an appointment with you to review these figures and get this item resolved.” After receiving the appeal letter, the Bureau sent the taxpayers two additional letters and talked with [Redacted] on the telephone. He said he had 1997 completed and would have 1998 and 1999 finished by November 27, 2001.

The Bureau did not receive anything further from the taxpayers and their file was transferred to the Legal/Tax Policy Division of the Tax Commission for administrative review. The Tax Appeals Specialist sent the taxpayers a letter advising them of their appeal rights and responsibilities. The taxpayers’ 1997 Idaho return was received on March 7, 2002, together with a note signed by [Redacted]. The note said he was working on the 1998, 1999, and 2000 returns and should have them ready for filing by the end of the month.

On April 18, 2002, the Tax Commission received the taxpayers’ Idaho income tax returns for the years 1998 through 2001. All four of these returns will be accepted as filed subject to examination during the period allowable under Idaho Code § 63-3068(a).

The 1997 Idaho return the taxpayers submitted showed a credit for an extension payment submitted in 1998. However, Tax Commission records show the \$1,000 payment was in the form of a check that was returned by the bank for insufficient funds. The taxpayers’ 1997 Idaho individual income tax return will be accepted as filed except the \$1,000 extension payment credit will be added

back to the tax due.

WHEREFORE, the Notice of Deficiency Determination dated August 8, 2001, is hereby MODIFIED and, as so modified, is APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayers pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1997	\$4,646	\$1,162	\$1,455	\$ 7,263
1998	3,606	904	851	5,361
1999	6,066	1,517	989	<u>8,572</u>
			TOTAL DUE	<u>\$21,196</u>

Interest is computed through May 15, 2002.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of taxpayers' right to appeal this decision is enclosed with this decision.

DATED this ____ day of _____, 2002.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that I have on this _____ day of _____, 2002, served a copy of the within and foregoing DECISION by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[Redacted] Receipt No. [Redacted]
[Redacted]

ADMINISTRATIVE ASSISTANT 1